



North Carolina Department of Health and Human Services
Division of Budget and Analysis
2001 Mail Service Center • Raleigh, North Carolina 27699-2001
Telephone (919) 733-6396 • Fax (919) 733-2944

Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

James B. Slate Jr., Director

May 15, 2007

MEMORANDUM 2007-02

TO: Division Directors
Division Budget Officers

FROM: Jim Slate

A handwritten signature in blue ink that reads "Jim Slate".

SUBJECT: 2007-08 Carry Forward

In a memorandum dated May 10, 2007 the Office of State Budget and Management notified all state departments that they would review requests to carry forward funds from FY 2006-07 to FY 2007-08 in compliance with G.S. 143-18 and G.S. 116-30. In order to organize these requests for the Department, agencies should submit their carry forward request (on the attached template) for *review by the Division of Budget and Analysis by June 11, 2007.*

The carry forward requests should be divided into five categories:

Category A - Required by general statutes or session law (funds are designated as non-reverting);

Category B - Legal obligation for which one time non-recurring funds were appropriated for this fiscal year only;

Category C – Unearned revenue received in FY 2006-07 for goods or services that will be provided in FY 2007-08, such as summer school tuition receipts;

Category D – Federal funds that have been transferred to a General Fund budget code that are in excess of actual disbursements, and

May 15, 2007

Category E – Documented encumbrances such as outstanding purchase orders or contractual obligations.

Requests outlined in Category E should include the following documentation listed in priority order

- Purchase order number or contract number
- Purchase order date or contract effective date prior to June 1, 2007.
- Justification and statement of impact if funding not carried forward. This should be a brief but descriptive explanation (One or two sentences.)

The Division of Budget and Analysis will review the carry forward requests in context of the Department's ability to address the Medicaid shortfall, and advise agencies of the amounts that will be recommended to OSBM prior to the submission to OSBM deadline of June 26, 2007

OSBM will review these requests in the context to the State's revenue (cash) situation. Please note that notification from OSBM will not be given until late June or early July.

The complete letter from the State Budget Officer is attached for your convenience.

JBE:AM:gg

cc: Dan Stewart
Jackie Sheppard
Dr. Allen Dobson
Laketha Miller
Budget Analysts